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FISCAL IMPACT STATEMENT

LS 6664

BILL NUMBER: HB 1039

NOTE PREPARED: Jan 23, 2014

BILL AMENDED: Jan 21, 2014

SUBJECT: Indiana Grown Initiative.

FIRST AUTHOR: Rep. Lehman

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes the Indiana Grown Initiative to market and promote Indiana produced agricultural products. It establishes a commission appointed by the Secretary of Agriculture and Rural Development. The bill also creates the Indiana Grown Initiative Fund and it makes an appropriation.

Effective Date: July 1, 2014.

Explanation of State Expenditures: *Appropriation:* This bill appropriates \$5 M from the state General Fund to the Indiana Grown Initiative Fund (established by this bill) for FY 2015.

Indiana Grown Commission: The bill also establishes the Indiana Grown Commission which would consist of 11 members appointed by the Lieutenant Governor (Secretary of Agriculture and Rural Development), and provides that the commission shall meet at least quarterly. Members of the commission are entitled to travel reimbursement for expenses incurred in connection with their duties. The current rate for travel reimbursement established by the Indiana Department of Administration and the State Budget Agency is \$0.44 per mile.

Indiana Grown Initiative Program: The Indiana State Department of Agriculture (ISDA) would provide administrative support for the Indiana Grown Initiative Program and the commission. Expenses would be paid from the Indiana Grown Initiative Fund, unless there is insufficient funds for these purposes. Then funds appropriated to the ISDA would cover expenses.

Indiana Grown Initiative Fund: The bill establishes the fund and provides that it consists of fees collected under the Indiana Grown Initiative Program, appropriations, and gifts, contributions and grants. Money in

the fund at the end of a fiscal year does not revert to the state General Fund. The bill appropriates \$5 M to the Indiana Grown Initiative Fund from the state General Fund. Application fees collected during FY 2013 under the current Indiana Grown Program totaled \$1,150.

(Revised) *Additional Information* - The Indiana Grown Program is currently implemented by the ISDA. Application fees are \$100 for first time applicants and \$50 for renewals. Indiana Grown stickers are provided for products identified in the applications, including produce, dairy, eggs, livestock and livestock products, fish and seafood, and ornamental horticulture. There are currently 15 Indiana Grown producers registered with the ISDA. For FY 2013, \$1,150 was collected in application fees and deposited in the ISDA main operating account. The fees generated offset costs such as printing and marketing materials.

The bill provides that the Indiana Grown Commission will consist of the following members:

- (1) The Director of the Indiana State Department of Agriculture or their designee.
- (2) Two members who represent an organization or association that represents the agriculture industry and growers who produce Indiana produced agricultural products.
- (3) Two members who represent an organization or association that represents restaurants that sell Indiana produced agricultural products.
- (4) Two members who represent an organization or association that represents retailers that sell Indiana produced agricultural products.
- (5) Two members who represent farmers' markets that sell Indiana produced agricultural products.
- (6) Two members who have expertise in marketing, promotions, or agritourism.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana State Department of Agriculture.

Local Agencies Affected:

Information Sources: Indiana State Department of Agriculture web site; Jill Pritchard, Indiana State Department of Agriculture, 317-800-1700.

Fiscal Analyst: Jessica Harmon, 317-232-9854.